

In the Matter of Interest Arbitration Between

Union County

Arbitration Award

and

Teamsters Local No. 147 -
Sheriff's Department

Paul Lansing
Arbitrator

APPEARANCES

For the County:

Lou Herrera
Donald Irelan

Attorney and Spokesman
Chair, Board of Supervisors

For the Union:

Timothy Hall
Paul Cason

Attorney and Spokesman
Secretary-Treasurer

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PUBLIC EMPLOYMENT
RELATIONS BOARD

AUTHORITY

The proceeding arises pursuant to the provisions of Section 19 and 22 of the Iowa Public Employment Relations Act, Chapter 20, 1991 Code of Iowa (hereinafter "Act"). The Teamsters Local No. 147 - Sheriff's Department and Union County were unable to agree upon the terms of their collective bargaining agreement for the 2004 fiscal year (July 1, 2003-June 30, 2004) through their negotiations and mediation. In view of the parties disagreement and in accordance with Section 22 of the Act, the undersigned was selected as the single arbitrator from a list provided by the Iowa Public Employment Relations Board.

An arbitration hearing was held in Creston, Iowa on June 5, 2003 and was completed then. During the hearing, all parties were provided full opportunity to present evidence and argument in support of their respective positions. The hearing was mechanically recorded by the Arbitrator pursuant to the regulations of the Iowa Public Employment Relations Board.

BACKGROUND

Union County (hereinafter the "Employer" or "County") is a municipal employer. Teamsters Local No. 147 - Sheriff's Department (hereinafter the "Union") is the exclusive bargaining representative of certain county employees. The County and the Union have been parties to a collective bargaining agreement covering a term from July 1, 2000 to June 30, 2003.

Union County is a non-metropolitan county in southwest Iowa. Union County is composed of eight incorporated communities and their surrounding rural areas. From 1990 to 2000, Union County's population decreased 3.5 percent.

While there is no explicit criteria in the Iowa statute by which an arbitrator is to judge the reasonableness of the parties' bargaining proposals, Section 22, paragraph 9 of the Iowa Public Employment Relations Act provides guidance for interest arbitrators in rendering awards. In this respect the statute, in relevant part, provides:

1. The panel of arbitrators shall consider, the addition to any other relevant factors, the following factors:
 - a. Past collective bargaining contracts between the parties including the bargaining that led up to such contracts.
 - b. Comparison of wages hours and conditions of employment of the involved public employees doing comparable work, given consideration to factors peculiar to the area and the classification involved.

- c. The interests and welfare of the public, the ability of the public employer to finance economic adjustments, and the effect of the such adjustments on the normal standard of services.
- d. The power of the public employer to levy taxes and appropriate funds for the conduct of its operations.

In addition, Section 17, paragraph 6 of the statute provides that:

“No collective bargaining agreement or arbitrator’s decision shall be valid or enforceable if its implementation would be inconsistent with any statutory limitation on the public employer’s funds, spending or budget, or would substantially impair or limit the performance of any statutory duty of the public employer.”

The award on the impasse items at issue herein is made with due regard to each of the above criteria, as further discussed below.

IMPASSE ITEMS

The parties remain at impasse on the following items:

Article 8 - Vacation Leave
Article 9 - Group Insurance
Article 11 - Wages

In regard to the impasse items, the following positions were presented at the arbitration hearing:

Vacation Leave

County Position - No change to current contract language
Union Position - Eligibility for a 4 week vacation allowance should be reduced from 20 years to 15 year

Group Insurance

County Position - Three new plans would be included with employees having a choice of coverage
Union Position - No change to current contract language providing for 100% coverage by the Employer

Wages

County Position - \$1.50 per hour increase

Union Position - \$0.50 per hour increase

Additional language: On call for Sheriff's Department personnel will be paid at the rate of \$4.00 per hour

Longevity language change: .10 per hour additional after 3 years continuous, .05 per hour additional per each additional year continuous service.

At the hearing, both parties agreed that the insurance and wage impasse items were linked.

The Union does not expect to continue full insurance coverage and receive a \$1.50 per hour wage increase. Additionally, although the Union raised the term of contract as an impasse item at the hearing, both parties agreed that state law requires that the new contract be for a one year term.

POSITION OF THE PARTIES

COUNTY - It was clear from the argument put forth by the County that the health insurance impasse item was the most important item to be determined. Although the County has historically provided full coverage for single and family premiums, the County argues that a comparison of insurance costs for surrounding counties shows that it pays nearly twice as much per year as the next county in cost (Madison) \$11,280 v. \$6,204 per year, per employee. Anticipating a cost increase of 20% for the upcoming year, as reported by David P. Lind and Associates, L.C., the County maintains that change needs to be implemented in this area.

The County proposes three new plans which employees could choose between. Under Plan B, employees would contribute \$40 a month, Plan C \$25, and Plan D \$0. Obviously, out-of-pocket liability for each employee would increase as their contribution decreases, from 2,000/family, \$3,000/family to \$4,000/family. Since the choice is with the employee, they could still choose to have

the County pay the full amount. However, the level of coverage for out-of-pocket expenses would rise. The County maintains that most other counties surveyed require employee contribution for family coverage, the comparability factor is in the favor.

In exchange for the change in the insurance coverage, the County is prepared to give a sizeable increase in the hourly wage rate to \$1.50 per hour. Although Union County already pays an above average base pay, a wage increase proposed here would put Union County employees at the top of the wage scale as compared to surrounding counties. The County argues that since future wage increases will be based on the wage agreed upon now, it is in the Union's best interest to accept this offer on wages.

UNION - The Union agrees with the assessment of the County that the most important impasse item between the parties is the insurance item. The Union argues that it has historically conceded on the wage item and other impasse items in order to continue the practice of the County's 100% coverage for single and family health insurance. To demonstrate its continuing emphasis on health insurance coverage, the Union is proposing a smaller wage increase than that offered by the County,.

Further, the Union objects to the 20% increase projection as proposed by the David P. Lind and Associates. The Union notes that this projection includes both private and public employees and therefore is not an accurate forecast for the Employer in the public section. Also, the Union recognizes the impact the reduced wage settlement may have on future wage negotiations but prefers it to the breach of the traditional treatment they have received in the health coverage area.

Lastly, the Union notes that irregardless of where their total compensation package puts them in the comparability arena, there has been no representation by the Employer about inability to pay.

That being the case, the Union prefers to continue the health case coverage it has received in the past, rather than the large wage increase.

DISCUSSION -

It is the standard of arbitration that the party seeking change in the contract has to carry the burden of going forward. While it is ordinarily the Union that has the burden because they are attempting to change the contract, in this case it is the County that must carry this burden.

It must also be noted here that at the hearing, neither party offered any evidence about costing out the various proposals put forward. So although both parties offered information about appropriate comparables, this arbitration appears to be more about how the monies involved will be spent rather than how much money should be spent.

In order to carry their burden, the County relies upon two main arguments. One is that of the comparable counties in the vicinity of Union County. While the County notes that most comparable counties do have employee contribution for family coverage (Ringgold, Decatur, Taylor, Lucas, Wayne, Page, Cass, Adair, Adams, Clarke and Montgomery) their exhibit also notes that some comparable counties do not require employee contributions (Audobon, Guthrie, Madison). On average, the employee cost per year as computed by the County is \$2.464.

Of course, the difficulty with this approach is that we do not know the bargaining history of those other counties and what benefit exchanges were negotiated to get to the present status. While the evidence demonstrates that most other counties have an employee contribution, there remain some that do not.

The second argument put forward by the County is that the Union has not sacrificed on other

items at impasse in order to maintain its present 100% health case coverage. The County presented evidence that on the issue of wages, Union County Deputy Sheriffs received an hourly rate of \$14.72 while the average of their comparable counties was \$13.89. Since the average wage was higher in Union County, how could the Union claim that they have sacrificed in past negotiations to maintain their health insurance coverage. According to the Employer, Union County has the highest total compensation package amongst all the comparable counties included.

While I find these arguments do support the Employer's position regarding the health insurance impasse item, I do not find them to be compelling enough for me to change the historical position of the Employer's 100% payment for employee coverage. While I understand and appreciate the Employer's attempt to control health insurance costs through its proposal, this is the kind of matter that is better served through negotiation between the parties instead of being implemented through an arbitration award. An important change to the contract, imposing a new obligation on the Union to begin contributions on their health insurance coverage, should not be considered lightly by an arbitrator. In light of there being no evidence that the Employer has been trying over a period of time for such a change, further negotiations between the parties would be the preferred alternative.

In light of my decision to maintain the current contract language for the Article 9-Group Insurance impasse item, I next consider the Article 11-Wages impasse item. Because the Union will receive the current contract language for the health insurance impasse item, they will also receive the \$0.50 wage increase that they proposed.

Next, an issue that needs to be addressed is whether the on call additional proposal and the change in the longevity provision are also part of the wage impasse item. At the hearing, there was

some discussion as to whether these were separate impasse items or tied together with the hourly wage impasse item. After reviewing the materials submitted by the parties, I find that these items are part of the wage impasse item. Therefore, the Union proposal for the following additional language to the contract will be implemented:

“On call for Sheriff’s Department personnel will be paid at the rate of four dollars (\$4.00) per hour.”

Regarding the longevity provision, the following language change will be made to the contract:

“Ten cents (\$0.10) per hour additional after three years continuous service with an additional five cents (\$0.05) per hour additional after each additional year of continuous service thereafter, not to exceed twenty-five cents (\$0.25) per hour.”

The change to the Union’s original language is due to the agreement of the hearing that the language “NO CAP” was to be removed from the Union position.

Which leaves the Article 8-Vacation Leave impasse item. This item did not receive very much attention or discussion at the hearing and was clearly a secondary impasse item to the parties. Using the same logic as I applied to the health insurance impasse item., the burden of going forward is on the party seeking change. In this, I am not persuaded that the Union carried its burden. Further, to be logically consistent, I think that this is an impasse item best left to the parties to negotiate among themselves. The Union did not present any evidence that they had been trying to achieve this goal over a period of time with the County, nor was the comparable evidence compelling.

CONCLUSIONS OF LAW

Pursuant to Section 22 (10) of the Act, and in accordance with the criteria set forth in Section 22 (9), the Arbitrator finds for the reasons set forth above, that the following constitute the “most

reasonable" offers of the final offers on the impasse items set forth below. They are hereby awarded:

IMPASSE ITEM - VACATION LEAVE

The County's final offer

IMPASSE ITEM - GROUP INSURANCE

The Union's final offer

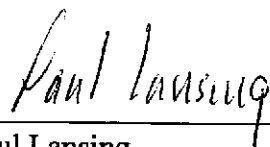
IMPASSE ITEM - WAGES

\$0.50 per hour increase

Additional language: "On call for Sheriff's Department personnel will be paid at the rate of \$4.00 per hour."

Longevity language change: "Ten cents (\$0.10) per hour additional after three years continuous service with an additional five cents (\$0.05) per hour additional after each additional year of continuous service thereafter, not to exceed twenty-five cents (\$0.25) per hour."

Champaign, Illinois
June 12, 2003



Paul Lansing
Arbitrator

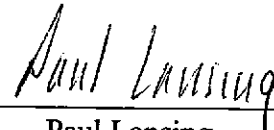
CERTIFICATION OF SERVICE

I certify that on the 12th day of June, 2003, I served the foregoing Award of Arbitrator upon the foregoing Award of Arbitrator upon each of the parties to this matter by mailing a copy to them at their respective addresses as shown below:

Lou Herrera
1011 Office Park Road
West Des Moines, IA 50265

Paul Cason
2425 Delaware Street
Des Moines, IA 50317

I further certify that on the 12th day of June, 2003 I will submit this Award for filing by mailing it to the Iowa Public Employment Relations Board, 514 East Locust, Suite 202, Des Moines, IA 50309.



Paul Lansing
Arbitrator